

# Regulatory Bulletin

RB 1-2 was rescinded 10/21/91 by RB 1-1a. Click [HERE](#) to link to RB 1-1a.

RB 1-2

December 6, 1989

## Rescissions of Obsolete Savings Account T Memoranda

*Summary:* This Bulletin rescinds a number of obsolete savings account T memoranda.

# RESCINDED

**For Further Information Contact:**  
Your District Office or the Thrift Programs Division of the Office of Thrift Supervision, Washington, D.C.

### Regulatory Bulletin 1-2

Attached is a listing of existing savings account T memoranda that are obsolete and are hereby rescinded.

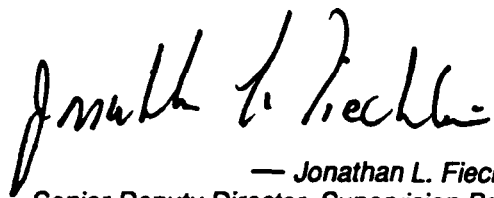
Their subject matter pertains to the payment of earnings on savings, types of certificate accounts, giveaway items, and advertising. The attachment also explains the reasons for the obsolescence of each of the memoranda.

The titles of the T memoranda in the attachment are as the Thrift Activi-

ties and Compliance Activities handbooks reference them and as the United States League of Savings Institutions publishes them in its "Supervisory Service."

We are updating a number of other savings account T memoranda and will soon reissue them as Thrift Bulletins.

Attachment



— Jonathan L. Fiechter  
Senior Deputy Director, Supervision Policy

## Rescinded Savings Account T Memoranda

The following savings account T memoranda are obsolete and are hereby rescinded. The reasons for their obsolescence are shown. (References to the "Board" are to the former Federal Home Loan Bank Board.)

Memorandum  
No.

Memorandum Title and Issuance Date

- T 9-2      Distribution of Earnings on Certificates Between Regular Distribution Dates (dated March 15, 1968)
- T 9-3      Distribution of Earnings at Less than Regular Rates on Amounts Withdrawn Between Distribution Dates (dated March 15, 1968)
- T 9-5      Association May Adopt Both Determination Date and Earnings to Date of Withdrawal (dated August 13, 1969)
- T 9-8      "Day-In/Day-Out" Advertising: Treatment of Required Maintenance of Balance to Next Distribution Date; Interest on Fixed-Rate, Fixed-Term Certificates Maturing Between Distribution Dates Required to be Paid to Date of Maturity (dated August 29, 1973)
- T 10      Determination Dates: Applicability to Variable Rate Accounts and Certificates (dated March 15, 1968)
- T 10-1      Modification of Outstanding Certificate Contracts to Reflect Liberalized Earnings Distribution Alternatives (dated June 13, 1968)

*Reason:* On May 26, 1983, the Board implemented the new savings account powers that the Garn-St Germain Depository Institutions Act of 1982 granted to Federal savings associations. Effective on that date, the Board amended previous regulatory Sections 545.1-1 and 545.3-1 by removing restrictions concerning determination dates and the payment of earnings between distribution dates. (Although Memorandum T 9-8 is being rescinded, under Section 563.27(b), "Advertising of services, contracts, investments or financial condition must be accurate," savings associations may not misstate their advertised rates of return on the basis of any deposit maintenance requirement.)

- T 9-6c-9      7-31 Day Certificate and Notice Accounts of \$2,500 or More; FHLBB Explanation and Illustrative Forms (dated August 27, 1982)
- T 9-6c-13      Associations' Discretion to Change Rates on Deregulated Accounts; FHLBB Clarification of DIDC Interpretive Ruling (dated February 4, 1983)

*Reason:* On April 1, 1986, the Depository Institutions Deregulation Committee ("DIDC") rules expired, including those that governed 7-31 day certificate and notice accounts (previous Section 1204.121), and the interpretive ruling on the establishment of deposit rates (previous Section 1204.201).

- T 9-9      FHLBB Approves Illustrative Marketable Certificate of Deposit Form (dated July 10, 1975)
- Reason:* Effective April 25, 1982, the Board removed its regulations (previous Sections 545.1-5 and 563.3-3) that had specifically authorized and placed limitations on marketable certificates of deposit.
- T 9-10      Participation In or Facilitation of a Secondary Market from an Institution's Own Negotiable CDs (dated May 23, 1984)

*Reason:* The expiration, on April 1, 1986, of the DIDC's interest rate ceilings removed the principal reason for the issuance of Memorandum T 9-10. Savings associations and their affiliates, however, are still subject to the restrictions of Federal Reserve Board Regulation D, Part 204, "Reserve Requirements of Depository Institutions", with respect to their participation in the secondary market for their own certificates. See Federal Reserve System regulatory interpretation Section 204.131 (12 CFR Section 204.131), "Participation by a depository institution in the secondary market for its own time deposits."

T 10-3 Compounding Earnings Permissible on 36-Month Bonus Certificate Accounts (dated March 20, 1969)

T 10-8a Bonus Accounts: Withdrawals Between Distribution Dates Earn only at Regular Account Rate (dated February 18, 1977)

*Reason:* There are now no regulatory restrictions on compounding earnings or the payment of earnings on withdrawals made between distribution dates.

T 10-9a "Loophole Certificates" Not Prohibited (dated June 22, 1982)

*Reason:* The April 1, 1986 expiration of DIDC interest rate ceilings eliminated reasons for issuing loophole certificates.

T 10-12 Rate of Interest Charged on Savings Account Loans (dated July 18, 1983)

*Reason:* Effective April 1, 1986, the Board deleted its requirement as to the rate of interest to be charged on savings account loans (previous Section 526.2(e)(1985)).

T 10-13 IRA Plans Offering "Outside" Investment Options: Required Notice Re Scope of FSLIC Coverage; Effective Date and Method of Providing Notice (dated October 21, 1986)

*Reason:* Effective June 29, 1987, the Board amended Federal Regulation 545.102, "Trustee," clarifying that Federal association trustee investments in insured accounts are exempt from the regulation's disclosure requirement making unnecessary Memorandum T 10-13.

T 33 No Supervisory Objection to Offer of Free Safe Deposit Facilities to Members by Insured Association (dated March 15, 1968)

*Reason:* The April 1, 1986 expiration of the DIDC interest rate ceilings eliminated reasons for not allowing an institution to provide free services to its savings customers.

T 50 "No One Has Ever Lost a Penny in a Savings Account Insured by FSLIC" Held Appropriate Advertising (dated February 10, 1984, based on a memorandum dated October 6, 1970)

*Reason:* The advertising slogan quoted in the memorandum is no longer relevant.

T 51-1b Conditioning of Giveaway on Maintenance of Deposit for a Specified Period of Time Permitted by FHLBB (dated November 20, 1974)

T 51-4 Give-Away Premiums Limited to Two Per Account to be Given Away Within a Twelve-Month Period (dated January 14, 1981)

T 51-5 DIDC Ruling Re Trading Stamps Used as Premiums (dated April 8, 1981)

*Reason:* On April 1, 1986, the DIDC's rule on premiums (previous Section 1204.109) expired. Moreover, except as provided in the Section 561.16 definition of "demand accounts," the Board no longer regulates the cost of savings account giveaways.